PFK Rural – Client Accounts

Client Money Handling Procedures

Last updated: 29 June 2026

PFK Rural has an obligation to ensure:

- Client money is kept safe
- Client money accounts are used for appropriate purposes only
- PFK has the appropriate controls and procedures to safeguard client money.

PFK Rural is registered with the RICS Client Money Protection Scheme. A copy of this certificate is available on our website.

<u>Responsibilities & Cover</u>

Johanna Edwards MRICS, as a Principal of the Firm, holds overall responsibility for the client accounts function. In her absence, Jessica Jackson MAAT is formally authorised to discharge these responsibilities.

No principal of PFK Rural may override any client money controls without agreement from all other Principals.

PFK Rural's Professional Indemnity Insurance covers all those individuals handling client money. A copy of this insurance certificate is kept on file and available on request.

<u>How and Where Client Money is Held</u>

PFK Rural hold all client money in client money accounts over which we have exclusive control and we maintain a centralised list of all client bank accounts which is reviewed regularly and updated at three yearly intervals or sooner if there is a change to the signatories.

Client money accounts do not contain sums other than the whole or any part of client money paid into it.

Client money will be returned to the client as soon as there is no longer any reason to retain those funds and any further payments received will be paid to the client immediately.

Written confirmation has been received confirming the bank operating conditions which includes acknowledgment from the bank that monies in the client money account will not be transferred or combined with any other account maintained by the firm. A copy of this confirmation is held on file.

<u>Client Accounts Function Controls</u>

It is imperative that PFK Rural implements and maintains strong and effective controls across all client accounts activities in order to safeguard client money, mitigate the risk of error or misappropriation, and ensure compliance with RICS Client Money Protection Scheme requirements, including appropriate segregation of duties.

PFK Rural – Client Accounts

PFK Rural has made best endeavours to segregate duties within the client accounts function, however given the size and structure of the Firm and, where full segregation is not achievable, additional oversight and review controls are applied to ensure client money is safeguarded at all times.

The Principal responsible for the client accounts function holds overall responsibility for the processes and controls within the function, however they may not override any client money controls without prior agreement from all other Principals.

The firm employs competent and knowledgeable staff who handle client money. Regular training on client money handling provided to staff working in the department and a copy of the training record is kept on file.

<u>Access to Funds</u>
Access to client accounts is restricted to those who work within the client accounts function and Principals of PFK Rural.

Only principals of the firm are permitted to authorise new signatories to the Client Accounts. A copy of the authorisations for the current signatories is kept on file.

All signatories are required to confirm in writing they understand the requirements of the RICS Client Money Protection Scheme Rules as well as the procedures set out by PFK Rural, a copy of which is kept on file.

<u>Banking Controls</u>
All payment and withdrawal requests will only be made once supporting evidence has been checked and authorised. Both payments and withdrawals from the client account are only permitted once specific authority has been given by the surveyor with overall responsibility for the management of the client/estate, or the client.

For invoices to be paid on the client's behalf, this requires the responsible surveyor's signature on the invoice or electronic confirmation. The payment will then be processed by a member of the client accounts function.

We do not accept instructions over the phone for withdrawals from client accounts. Requests must be in writing and authorised by the surveyor with overall responsibility for the management of the client/estate.

Fees due to PFK Rural from the client will only be taken without prior notification if the client has given permission in writing as part of the Management Agreement. If the client has not given permission, an invoice will be sent to the client for their approval prior to the monies being taken from the client account.

Written client permission will be sought prior to any direct debits or standing orders being set up on general or discrete client accounts.

For any new supplier requests or change of bank details for existing suppliers, the firm will obtain dual authorisation before making any payments and confirm the details via a telephone check.

Receipt of Client Money

All cash and cheques received by post or by hand to our offices are passed to the client accounts team, logged and banked within 7 working days or sooner. All cash and cheques are securely stored until they are banked.

PFK Rural discourages payment by cash, but where it is received the Firm will provide the client a pre-numbered duplicate receipt and a copy will be retained by this firm.

Interest & Bank Charges

PFK Rural pay any bank charges from a nominated office account which is separate from the client accounts and does not contain client money. Bank charges are not recharged to clients.

Any interest (if any) generated by client funds is not payable to clients and will be retained by PFK Rural in order to offset any bank charges.

Reconciliation of Client Accounts

Reconciliations are carried at least once per month. The reconciliation will include the cash book, a list of unpresented cheques, outstanding deposits, details of any reconciling items, client ledger balances and the total of the balances.

Reconciliations are carried out using the software KEYPrime Accounts (Landmark Systems).

The Principal with overall responsibility for the client accounts function will review the reconciliations on a monthly basis and sign and date the report. A copy of the signed reconciliation is kept on file.

Unidentified funds

In the event of any unidentified funds being received into the client account, the client accounts team will use their best endeavours to find the beneficiary of the funds. Where the beneficiary cannot be identified after a period of at least three years from receipt and all avenues of investigation have been exhausted, PFK Rural will pay the funds from a client money account to a registered charity.

PFK Rural will obtain a receipt and an indemnity for all client money paid to a registered charity that would reimburse the Firm for payment of the monies if a beneficiary is subsequently identified.

Client Reporting

PFK Rural will provide to our clients on an annual basis a report of the client account transactions relating to their property for the relevant financial year. As reports are tailored to individual client requirements, these may include but are not limited to profit and loss account, summary of debtors and creditors and individual client balances.

Clients may request this information on a more regular basis which PFK Rural will do their best to accommodate.

Accounting Records
All accounting records include a cash book detailing all payments and receipts with a running balance for all client money accounts held.

We retain copies of client money bank statements, copies of reconciliations and supporting documents for at least six years.

Management Agreement
As part of our Management Agreement, we will provide to our clients in writing:

- Confirmation that client money will be held in a client money account including bank account details, confirmation that PFK Rural have exclusive control over the account, the name of the account.
- Information on the treatment of interest and bank charges.
- Advice to clients who pay fees in advance for surveying services that this money is not covered by the Client Money Protection Scheme.
- Disclosure of all commissions earned by the firm while managing their property.
- A copy of the written procedures for handling client money which includes information on how unidentified funds are dealt with.
- Confirmation of the value of the payments that can be made without additional authorisation from the client.
- Instructions about who can authorise higher value payments on behalf of the client.

Reporting Concerns about Client Money Security
Any employee who becomes aware of, or suspects, a risk to the security of client money, including error, misappropriation, breach of procedure, or weakness in controls, must report the concern promptly.

Concerns should be reported using the following method:

- Directly to a Principal of the Firm, either verbally or in writing, as soon as reasonably practicable.
- In writing (email or letter) to ensure an accurate record of the concern, including relevant details such as dates, amounts, and individuals involved where known.
- In the cases of a risk of client money misappropriation, RICS will be notified immediately along with PFK Rural's insurers and any clients affected.
- In some cases, it may be necessary to report the matter to the police. If the decision is taken not to report the matter to the police, a record of that decision and the reasoning for the decision will be kept.

Employees are encouraged to raise concerns in good faith and without fear of retaliation. All reports will be treated confidentially and investigated appropriately.

A written record of all reported concerns, investigations undertaken, and actions taken will be maintained and retained in line with the Firm's record-retention policies.

Where the concern involves a Principal of the Firm, or where the individual feels unable to raise the matter internally, the concern may be escalated in accordance with the Firm's whistleblowing procedures, including reporting directly to RICS or other relevant regulatory bodies.

Compliance

PFK Rural carries out regular monitoring of client accounts to ensure that all client money held is linked to the firm carrying out surveying activity on behalf of the client in order to comply with anti-money laundering standards.